

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340

February 12, 1990

Mr. John S. Vanderpool Umetco Minerals P. O. Box 767 Nucla, Colorado 81424

Dear Mr. Vanderpool:

Re: Reclamation Surety, Calliham Mine, M/037/023, San Juan County, Utah

I have enclosed for your review, a new reclamation estimate for the Calliham site. This estimate accounts for current inflation and escalates the bond for another five years.

When the mine was recently sold to Umetco, an interim surety was supplied by the operator. Since then, the Division has made a site visit to the Calliham and re-evaluated the amount of disturbed acreage. The current bond is based on a twenty acre disturbance, instead of the earlier ten acre disturbance.

Please send us your comments by the end of February 1990 to facilitate the conclusion of this process.

Sincerely,

Holland Shepherd Reclamation Specialist

jb Enclosure MN5/181

Reclamation Estimate Umetco Minerals Corporation Calliham Mine San Juan County

Feb. 8, 1990

M/037/023

Prepared by Utah State Division of Oil, Gas & Mining

Description	Quantity	Unit	\$/Unit	Cost(\$)
		======		
Demolish & Dispose of Buildings	6700	sq ft	1.8	12,060
Construct Bulkhead Inside Portal	lump sum			1,100
Backfill Portal to Bulkhead	lump sum			650
Remove Trash & Debris	20	acre	6.6	132
Fill/Regrade Ponds	6	acre	800	4,800
Regrade Ore Pads	4	acre	800	3,200
Regrade Waste Stockpile (3:1)	5	acre	800	4,000
Rip Roads	3	acre	320	960
Boreholes	3		1000	3,000
Spread Topsoil (Pads & Stockpile)	9	acre	85	765
Seedbed Preparation	20	acre	530	10,600
Revegetate	20	acre	460	9,200
Mobilization	lump sum		1	2,000
			-	
	SUBTOTAL			52,467
+10% CONTINGENCY				5,247
SUBTOTAL				57,714
				
ESCALATION (1.84% FOR 5 YRS)				5,310
			-	
TOTAL				63 023
TOTAL				63,023
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